

**GOVERNMENT OF ANDHRA PRADESH**  
**ABSTRACT**

Cooperative Sugar Factories – Sanction of Rs.50.00 crores as Grant towards payments of better cane prices for the season 2011-2012 - Administrative sanction – Accorded - Orders – Issued.

**INDUSTRIES & COMMERCE (SUGAR) DEPARTMENT**

G.O.Ms.No.4,

Dated:05 -01-2012.

Read the following:

1. From the COS & CC, Hyderabad Lr.No.3669/2011/D1,  
dt 08.12.2011.
2. G.O.Rt.No.4495, Fin. (Exp. Ind. & Com. ) Dept, 30.12.2011.  
&&&

**ORDER:**

The Commissioner of Sugar & Cane Commissioner, Hyderabad in the reference 1<sup>st</sup> read above, has stated that for 2011-12 crushing season, there is heavy demand from the farming community to pay the cane price @ Rs.2500/- to Rs.3000/- per MT. The FRP (Fair and Remunerative Price) declared by the GOI is Rs.1450/- per MT. The State Government is passing on Purchase Tax @ Rs.60/- per MT as Incentive. The private sugar factories in the State are paying cane price ranging from Rs.2000/- to Rs.2200/- per MT (FRP + P.T. Incentive + Addl. Price).

2. The Commissioner of Sugar & Cane Commissioner, Hyderabad has further stated that due to the low prices of sugar in international market and excess stocks of sugar already available in domestic market, the prevailing rate of sugar is very low. Therefore, the Coop. Sugar Factories are unable to pay cane price beyond Rs.1800/- per MT to sugarcane farmers. Also, in adjoining States like Karnataka, Tamil Nadu & Maharashtra, the sugar cane price is being paid above Rs.2000/- per MT. The States of Uttar Pradesh and Tamil Nadu are giving financial assistance to Coop. Sugar Factories for payment of remunerative price to the farmers for the sugarcane. Thus, there is every need to protect the interest of sugarcane farmers in Coop. Sector by giving atleast Rs.2000/- per MT towards cane price and to compete with the private sugar factories. As the financial position of the Coop. Sugar Factories is very weak, they are unable to withstand any additional payments over and above statutory obligations i.e. Fair and Remunerative Price (FRP) + Purchase Tax (PT) Incentive. At this crucial juncture, to safeguard the interest of cane farmers under Coop. Sector, there is every need to give financial assistance by State Government as a Grant to meet the cane price payment @ Rs.2000/- per MT for the season 2011-12. Following are the details:

Sl. No.	Name of the Coop. Sugar Factory	Qty. of cane likely to be crushed (in lakh MTs)	Rate of cane price that can be paid from their own funds (Rs.per MT) inclusive of P.Tax @ Rs.60/- MT	Financial assistance required for making cane price payment @ Rs.2000/- MT (Rs.in Crores) for 2011-2012 season
1	Sri Vijayarama Gajapathi	1.20	1800	2.40
2	Chodavaram	5.50	1800	11.00
3	Anakapalle	1.00	1700	3.00
4	Etikoppaka	2.00	1800	4.00
5	Thandava	1.60	1700	4.80
6	Kovur	1.50	1510	7.35
7	Sri Venkateswara	2.25	1750	5.63
8	Chittoor	2.50	1700	7.50
9	NVR & ADR, Jampani	0.50	1510	2.45
		18.05		48.13 <b>Say Rs.50.00 crores</b>

3. The Commissioner of Sugar & Cane Commissioner has therefore requested the Government to sanction Rs.50.00 crores as grant to the Nine (09) Coop. Sugar Factories for payment of better cane price to the farmers for 2011-2012 season

4. Government after careful examination of the entire issue, hereby accord sanction for an amount of **Rs.50.00** Crores (Rupees Fifty Crores only) as grant to Commissioner of Sugar & Cane Commissioner in relaxation of Treasury Control and Quarterly Regulation Orders towards payment of better cane prices for the season 2011-12 to the Nine (09) CSFs as stated in para 2 above.

5. The expenditure shall be debited to the Head of Accounts under plan, as indicated below:

"2852 – Industries – 08 Consumer Industries – MH 201- Sugar – GH 11 - NSP-SH (11) – Assistance to Sugar Factories for payment of better cane prices to sugar cane farmers – 310/312 OGIA (to be opened) Under Plan."

6. The Commissioner of Sugar and Cane Commissioner shall take necessary action to draw and disburse the amount. He is requested to send supplementary grant proposals to Finance (BG.I) Dept., directly within time for inclusion in SE.2011-2012.

7. This order issues with the concurrence of Finance (Expr.I&C) Department, vide their U.O.No.33552/521/Expr.I&C/11, Dt.30.12.2011 and as per Budget Release Order issued in the reference 2<sup>nd</sup> read above.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

T.S. APPA RAO  
PRINCIPAL SECRETARY TO GOVERNMENT &  
COMMISSIONER FOR INDUSTRIAL PROMOTION.

To

The Commissioner of Sugar & Cane Commissioner, AP, Hyderabad.

Copy to:

The Managing Director, Chittoor Co-op. Sugar Factory, Chittoor District.

The Managing Director, Kovur Co-op. Sugar Factory, Nellore District.

The Managing Director, Thandava Co-op. Sugar Factory, Visakhapatnam District.

The Managing Director, Anakapalle Co-op. Sugar Factory, Visakhapatnam District.

The Managing Director, Sri Venkateswara Co-op. Sugar Factory, Tirupati, Chittoor District.

The Public Enterprises Department.

The Finance (Exp. I&C) Department.

The Finance (B.G.) Department.

The Accountant General, A.P. Hyderabad.

The Director of Treasuries & Accounts, Hyderabad.

The Pay & Accounts Officer, Hyderabad.

PS to Prl. Secy. to CM.

Sc/Sf.

// FORWARDED:: BY ORDER//

SECTION OFFICER